Form 3160-3 (August 1999)

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

UNITED STAT	TES	•	Skpiros i io i entre e -	,
DEPARTMENT OF THI		5. Lease	Serial No.	
		14-20-H62-389	4	
BUREAU OF LAND MAN	6. If India	6. If Indian, Allottee or Tribe Name		
APPLICATION FOR PERMIT TO		UINTAH & OU		
	7. If Unit	or CA Agreement, N	lame and No.	
a. Type of Work: 🗓 DRILL 🔲 RE	ENTER	1	JTU-08049I-84	C725
		8. Lease	Name and Well No.	
b. Type of Well: 🔲 Oil Well 🔲 Gas Well 🔲 Other	Single Zone	Multiple Zone	SANTIO 4-1	91
Name of Operator WESTPORT OIL & GAS COMPANY, L.P.		9. API W	43-047-	37733
	3b. Phone No. (include area co	de) 10. Field	and Pool, or Explora	
A. Address 368 SOUTH 1200 EAST, VERNAL, UTAH 84078	435-781-7	060	QHRAY	
Location of Well (Report location clearly and in accordance with	any State requirements.*)	25 A 11. Sec.,	Г., R., М., or Blk, an	
At surface NWNW 500' FNL 600' FWL 622			SEC 4-T9S-R	21E
At proposed prod. Zone 443	64011 -109.51	a3367		
4. Distance in miles and direction from nearest town or post office		12. Coun	y or Parish	13. State
6.8 MILES SOUTHEAST O	F OURAY, UTAH		INTAH	UTAH
Distance from proposed*	16. No. of Acres in lease	17. Spacing Unit dedicated to th	is well	
location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)			79.6	
	79.6		79.0	
Distance from proposed location* to nearest well, drilling, completed, REFER TO	19. Proposed Depth	20. BLM/BIA Bond No. on file	LB0005239	
applied for, on this lease, ft. TOPO C	10550'	BIA #R	LB0003239	
(C) I (I DE KDD DT CI etc.)	22. Approximate date work w		ated duration	
1. Elevations (Show whether DF, KDB, RT, GL, etc.) 4674.4' GL	UPON APPR	OVAL	O BE DETERM	IINED
4074.4 GL	24. Attachments			
		shall be attached to this form:		
The following, completed in accordance with the requirements of Or				
. Well plat certified by a registered surveyor.	4. Bond to co	ver the operations unless covered	l by an existing bond	on file (see
•	Item 20 ab	ove).		
2. A Drilling Plan.		·		
A Surface Use Plan (if the location is on National Forest System)		site specific information and/or pla	ans as may be require	ed by the
SUPO shall be filed with the appropriate Forest Service Office.	6. Such other authorized			
			Date	
25. Signature	Name (Printed/Typed)	Date	
J. Signature	Name (Printed/Typed			/3/2006
Delia Domania		EBRA DOMENICI		/3/2006
				/3/2006

Name (Printed/Typed)

BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED.

Federal Approval of this Action is Necessary

FEB 0 8 2006

T9S, R21E, S.L.B.&M.

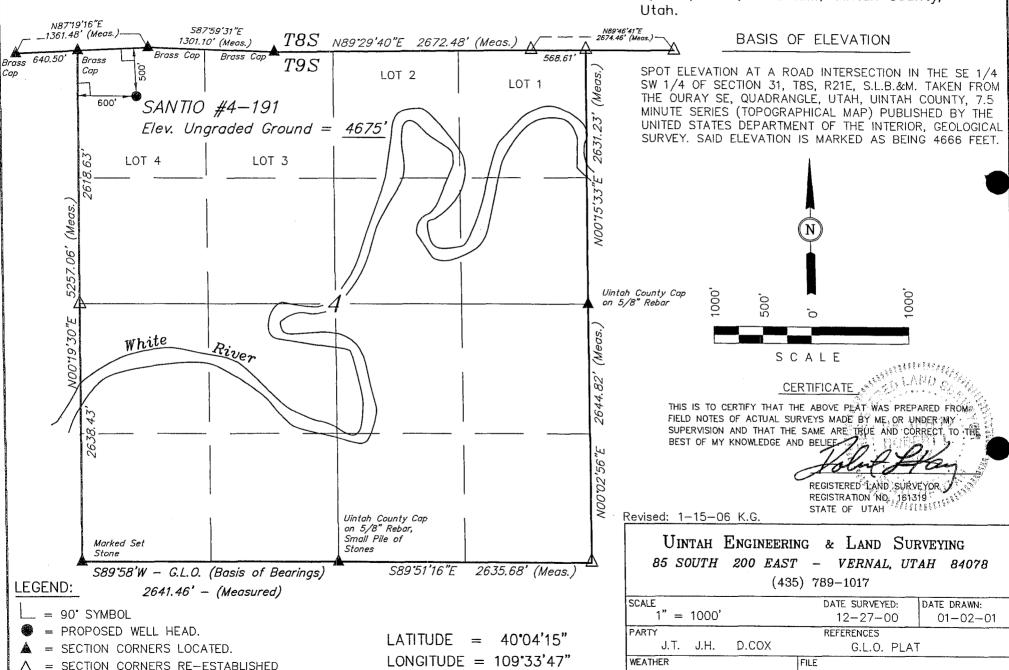
(NOT SET ON GROUND)

Kerr-McGee Oil & Gas Onshore LP

Well location, SANTIO #4-191, located as shown in the NW 1/4 NW 1/4 of Section 4, T9S, R21E, S.L.B.&M., Uintah County, Utah.

COLD

Kerr-McGee Oil & Gas Onshore LP



SANTIO 4-191 NWNW SEC 4-T9S-R21E UINTAH COUNTY, UTAH LEASE NUMBER: 14-20-H62-3894

ONSHORE ORDER NO. 1 KERR MCGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

Formation	<u>Depth</u>
Green River Wasatch	2030' 5430'
Mesaverde	8590°
Total Depth	10550'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

Substance	<u>Formation</u>	<u>Depth</u>
Gas Gas Water Other Minerals	Green River Wasatch Mesaverde N/A N/A	2030' 5430' 8590'

3. Pressure Control Equipment:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure at 10550' TD approximately equals 6541 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4220 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates & Notification of Operations:

Please see the Natural Buttes Unit SOP.

9. Variances:

Please see the Natural Buttes Unit SOP.

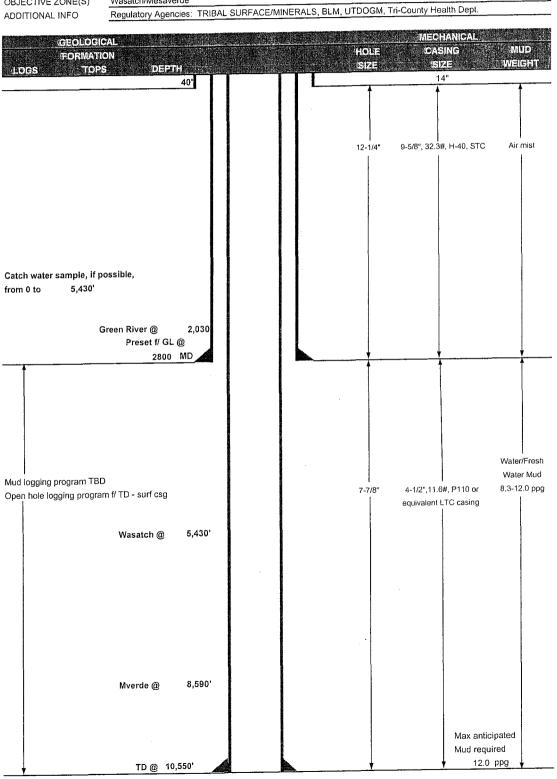
10. Other Information:

Please see the Natural Buttes Unit SOP.



Westport Oil and Gas Company, L.P. <u>DRILLING PROGRAM</u>

DATE November 21, 2005 Westport Oil and Gas Co., L.P. COMPANY NAME 10,550' MD/TVD **SANTIO 4-191** TD WELL NAME KB 4,689' 4,674' GL STATE Utah ELEVATION COUNTY Uintah FIELD Natural Buttes Straight Hole BHL NWNW SECTION 4-T9S-R21E SURFACE LOCATION 40.070833 Longitude: 109.563056 Latitude: Wasatch/Mesaverde OBJECTIVE ZONE(S)







Westport Oil and Gas Company, L.P.

DRILLING PROGRAM

CASING PROGRAM

CASING PROGRAM									ESIGN FACT	ORS
	SIZE	111	TERV	AL	WT.	GR.	CPLG.	EURST	COLLAPSE	TENSION
CONDUCTOR	14"		0-40'					2270	1370	254000
SURFACE	9-5/8"	0	to	2800	32.30	H-40	STC	0.53***** 10690	1.05 7560	3.21 279000
PRODUCTION	4-1/2"	0	to	10550	11.60	P110	LTC	2.51	1.15	2.61

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
- 2) MASP (Prod Casing) = Pore Pressure at TD (.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD = 12.0 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW) MASP

4262 psi

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

	I	FT, OF FILE	DESCRIPTION	SACKS	EXPESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1			+ .25 pps flocele				1
•	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt	50	ĺ	15.60	1.18
			+ 2% CaCl + .25 pps flocele				
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE			NOTE: If well will circulate water to s	urface, op	tion 2 will b		
Option 2	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite	170	35%	11.00	3.82
•			+.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
			+ .25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
			·				
PRODUCTIO	N LEAD	4,930'	Premium Lite II + 3% KCI + 0.25 pps	540	60%	11.00	3.38
			celloflake + 5 pps gilsonite + 10% gel				
			+ 0.5% extender				1
	TAIL	5,620	50/50 Poz/G + 10% salt + 2% gel	1570	60%	14.30	1,31
			+.1% R-3				

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.	·-
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.	

ADDITIONA

DRILLING SUPERINTENDENT:

DRILLING

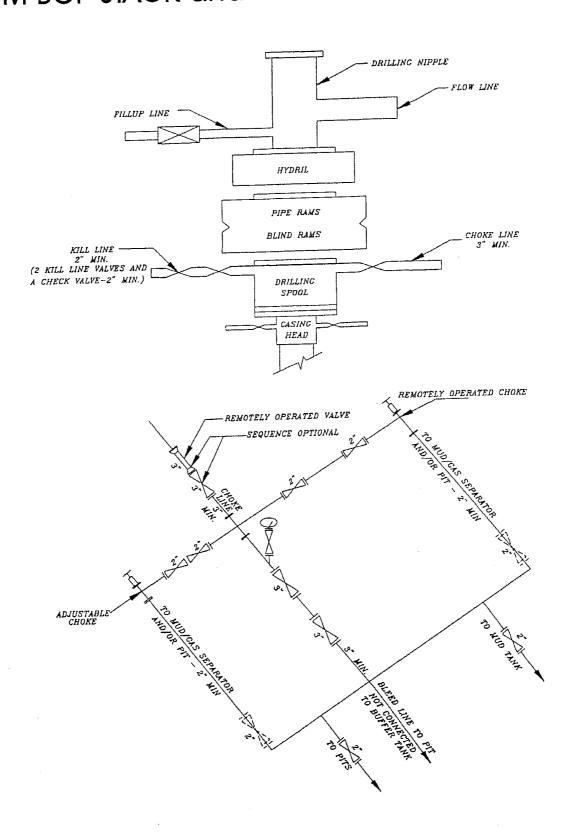
LINFORMATION	
	after installing. Test surface casing to 1,500 psi prior to drilling out.
BOPE: 11" 5M with one and	nular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder &
tour sheet. Function test rai	ns on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper
& lower kelly valves.	
Drop Totco surveys every 2	000'. Maximum allowable hole angle is 5 degrees.
	s for mud monitoring. If no PVT is available, visual monitoring will be utilized.
ENGINEER:	DATE:
	Brad Laney

Randy Bayne SAN4-191 RE-PERMIT_APD.xls

DATE:

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

5M BOP STACK and CHOKE MANIFOLD SYSTEM



SANTIO 4-191 NWNW SEC 4-T9S-R21E UINTAH COUNTY, UTAH LEASE NUMBER: 14-20-H62-3894

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the SANTIO 4-191 on 4/4/01. In attendance at the inspection were the following individuals:

Carroll Estes

Kerr-McGee Oil & Gas Onshore LP

Greg Darlington

Bureau of Land Management

Don Allred Jared Thompson Uintah Engineering & Land Surveying Uintah Engineering & Land Surveying

Jim Justice

J&L Oilfield Service

Robert Murray

Craig's Roustabout Service

Carroll Wilson

Kerr-McGee Oil & Gas Onshore LP

Alvin Ignacio

Ute Tribe

Manuel Myore LuAna Thompson Bureau of Indian Affairs Bureau of Indian Affairs

Clay Einerson

Kerr-McGee Oil & Gas Onshore LP

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

2. Planned Access Roads:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Refer to Topo Map B for the location of the proposed access road.

3. <u>Location of Existing Wells Within a 1-Mile Radius</u>

Please refer to Topo Map C.

4. <u>Location of Existing & Proposed Facilities</u>

Please see the Natural Buttes Unit SOP.

Refer to Topo Map D for the location of the proposed pipeline.

If Questar's pipeline is still in place, it shall be wrapped and buried, as discussed during the onsite inspection.

The trenching of the pipeline shall be monitored by a qualified Archaeologist and a Tribal Technician, as discussed during the onsite inspection.

5. Location and Type of Water Supply:

Please see the Natural Buttes Unit SOP.

6. Source of Construction Materials

Please see the Natural Buttes Unit SOP.

7. Methods of Handling Waste Materials

Please see the Natural Buttes Unit SOP.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec 5-T9S-R22E, NBU #159, Sec 35-T9S-R21E, Ace Oilfield Sec 2-T6S-R20E, MC & MC Sec 12-T6S-R19E,. (Requests in lieu of filing Form 3160-5 after initial production).

8. Ancillary Facilities

Please see the Natural Buttes Unit SOP.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Culvert(s) are to be installed as needed.

A run off diversion for drainage will be constructed as needed.

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined. When the reserve pit is closed, the pit liner will be buried below plow depth.

The drainage shall be diverted around the reserve pit as discussed during the onsite inspection.

10. Plans for Reclamation of the Surface:

Please see the Natural Buttes Unit SOP.

11. Surface Ownership:

Ute Indian Tribe P.O. Box 70 Fort Duchesne, Utah 84026 (435)-722-5141

12. Other Information:

A Class III archaeological survey has been conducted for this location and submitted to the Ute Indian Tribe prior to the on-site.

13. Lessee's or Operators's Representative & Certification:

Debra Domenici Administrative Assistant Kerr-McGee Oil & Gas Onshore LP P.O. Box 1148 Vernal, UT 84078 (435) 781-7060 Randy Bayne Drilling Manager Kerr-McGee Oil & Gas Onshore LP P.O. Box 1148 Vernal, UT 84078 (435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted Upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Kerr-McGee Oil & Gas Onshore LP Bond #N-2115, BLM Nationwide Bond # CO-1203, and BIA Nationwide Bond # RLB0005239.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Debra Domenici

2/3/06

Date

Kerr-McGee Oil & Gas Onshore LP

SANTIO #4-191 SECTION 4, T9S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN EASTERLY DIRECTION APPROXIMATELY 3.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 2.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 70' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 37.8 MILES.

Kerr-McGee Oil & Gas Onshore LP

SANTIO #4-191

LOCATED IN UINTAH COUNTY, UTAH **SECTION 4, T9S, R21E, S.L.B.&M.**

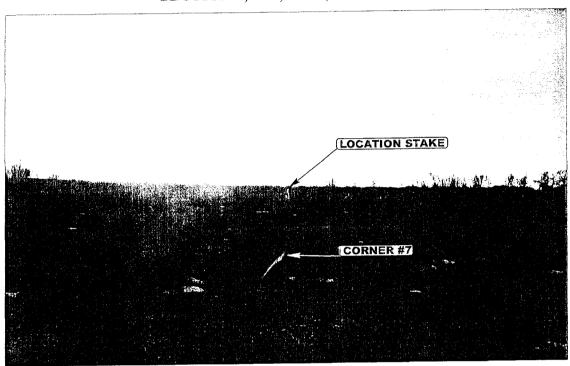


PHOTO: VIEW FROM CORNER #7 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY

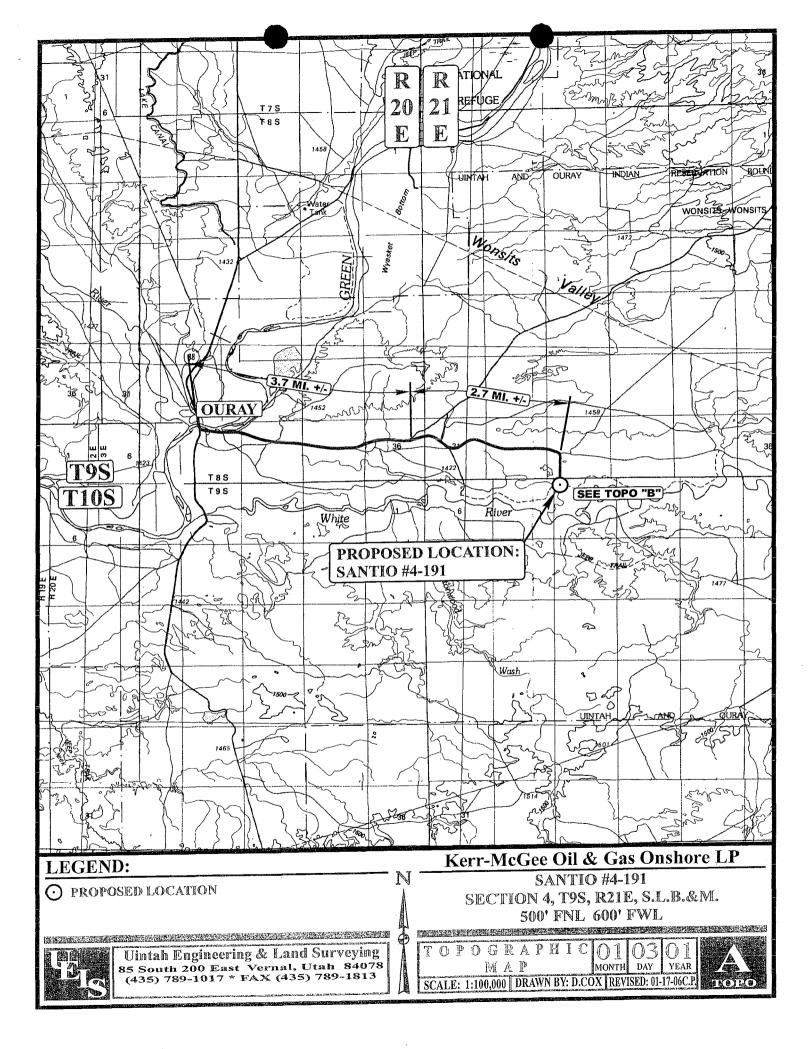


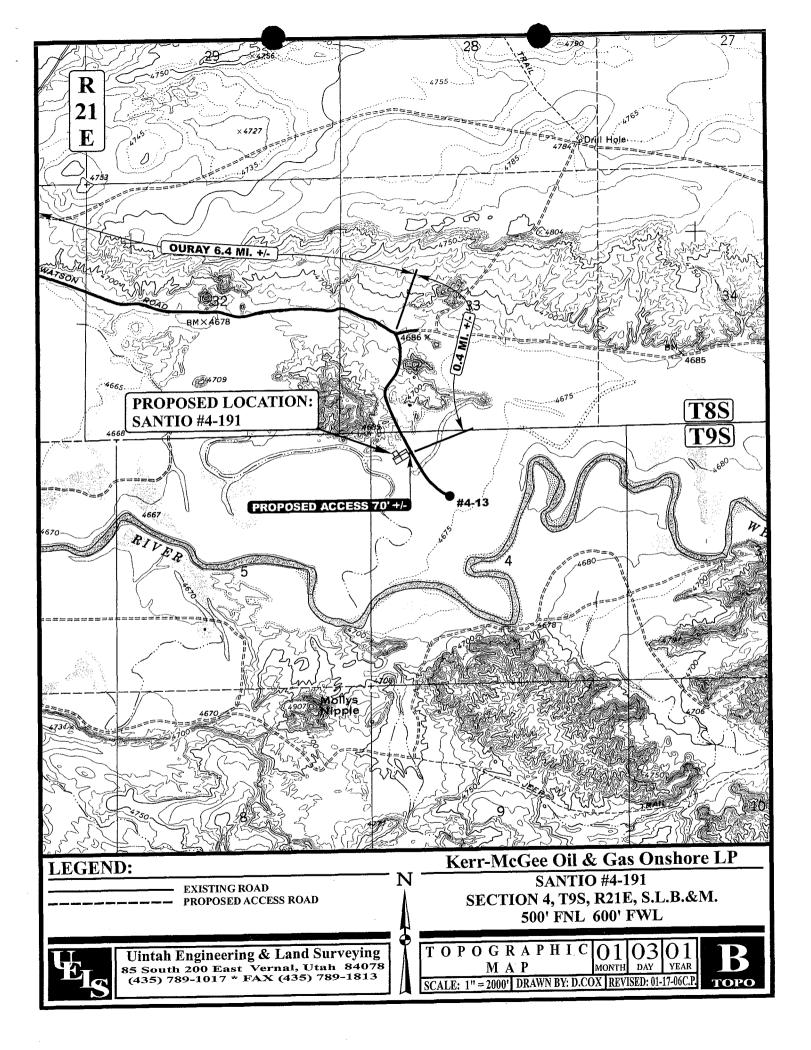
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

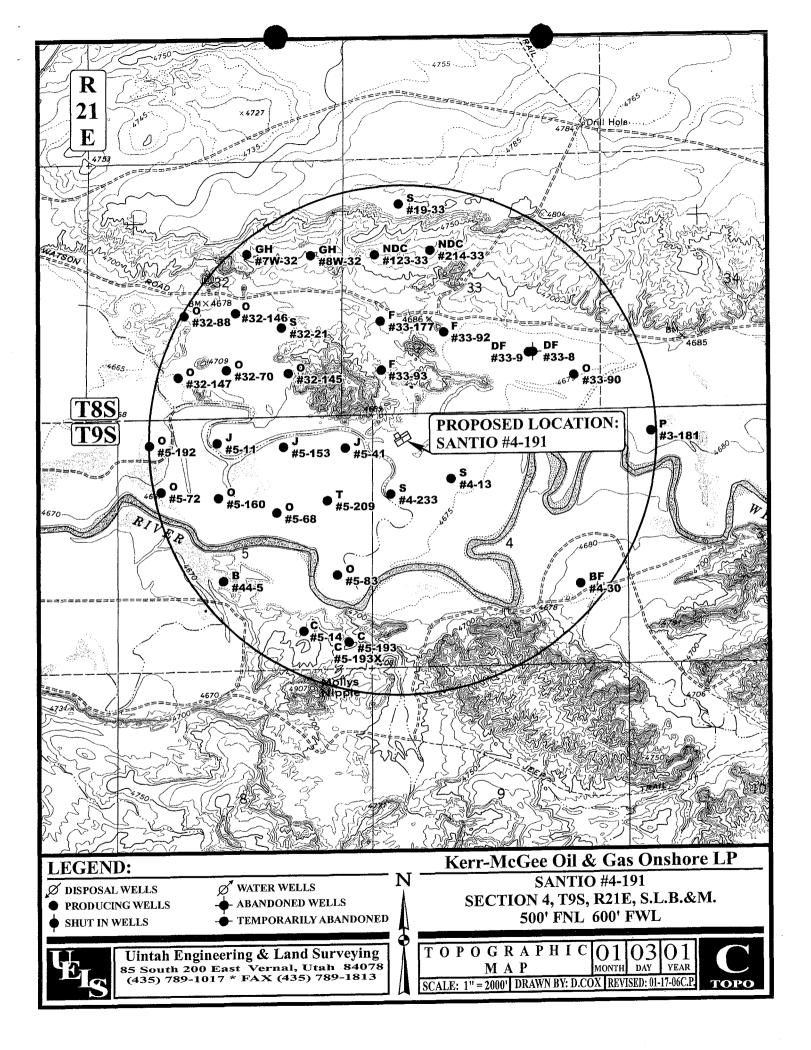
LOCATION PHOTOS

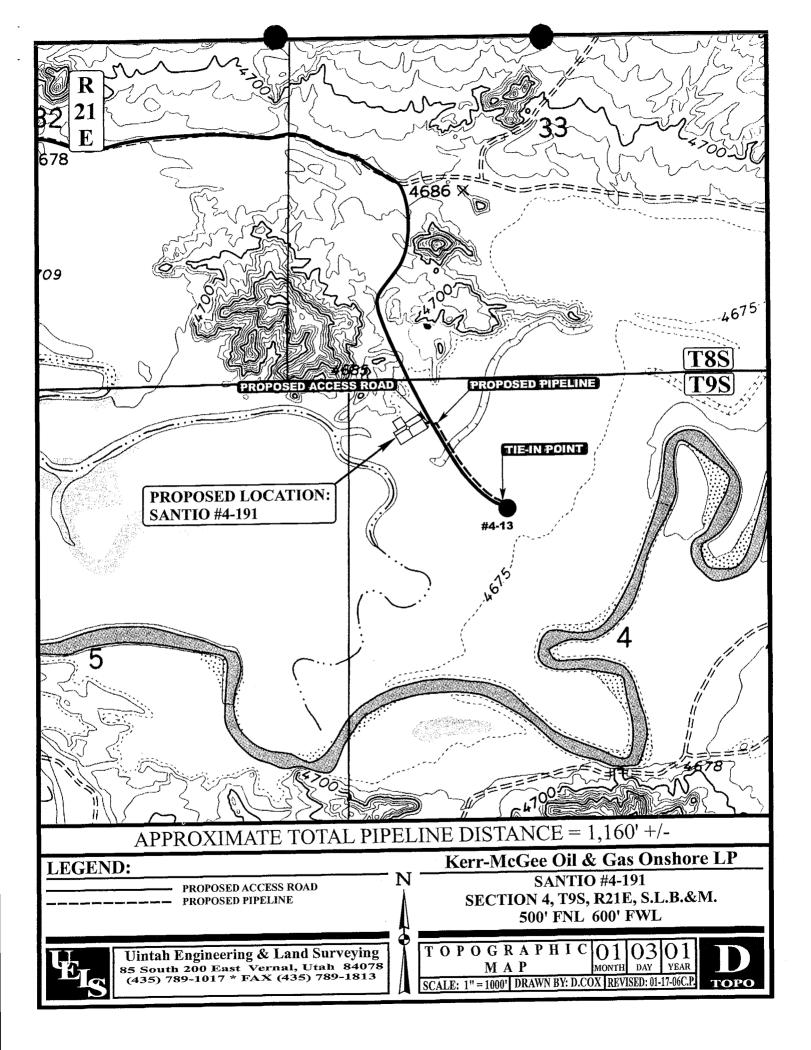
РНОТО

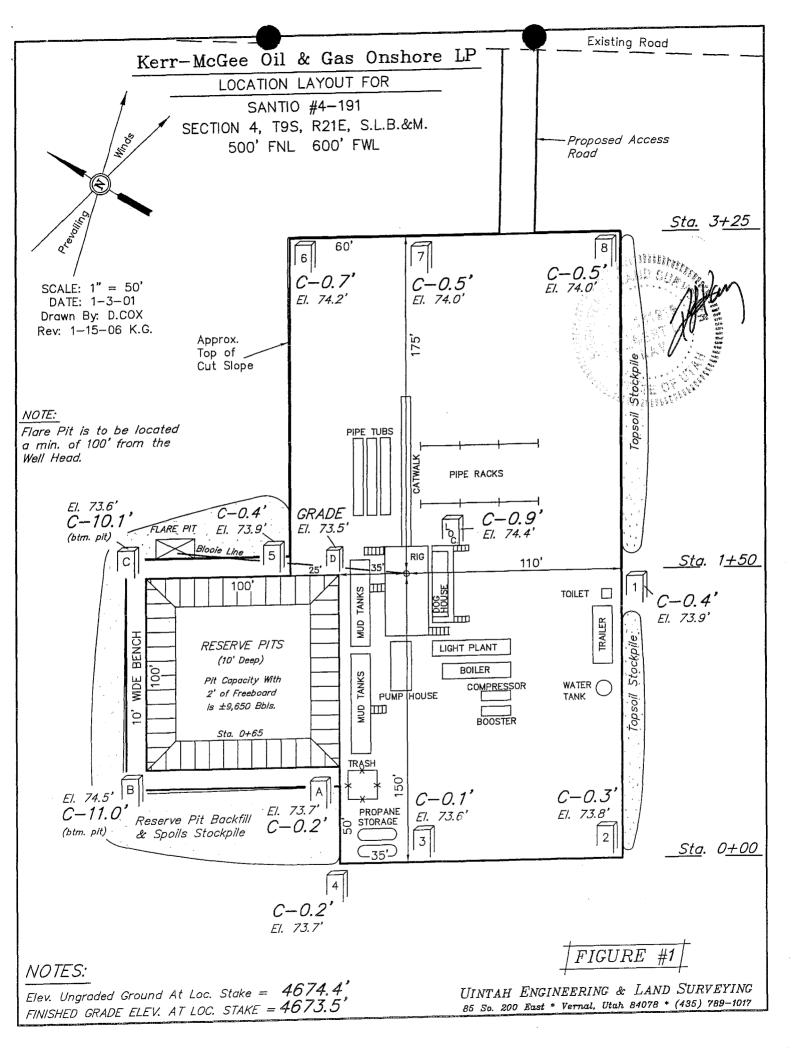
TAKEN BY: G.S. DRAWN BY: D.COX REVISED: 01-17-06C.P

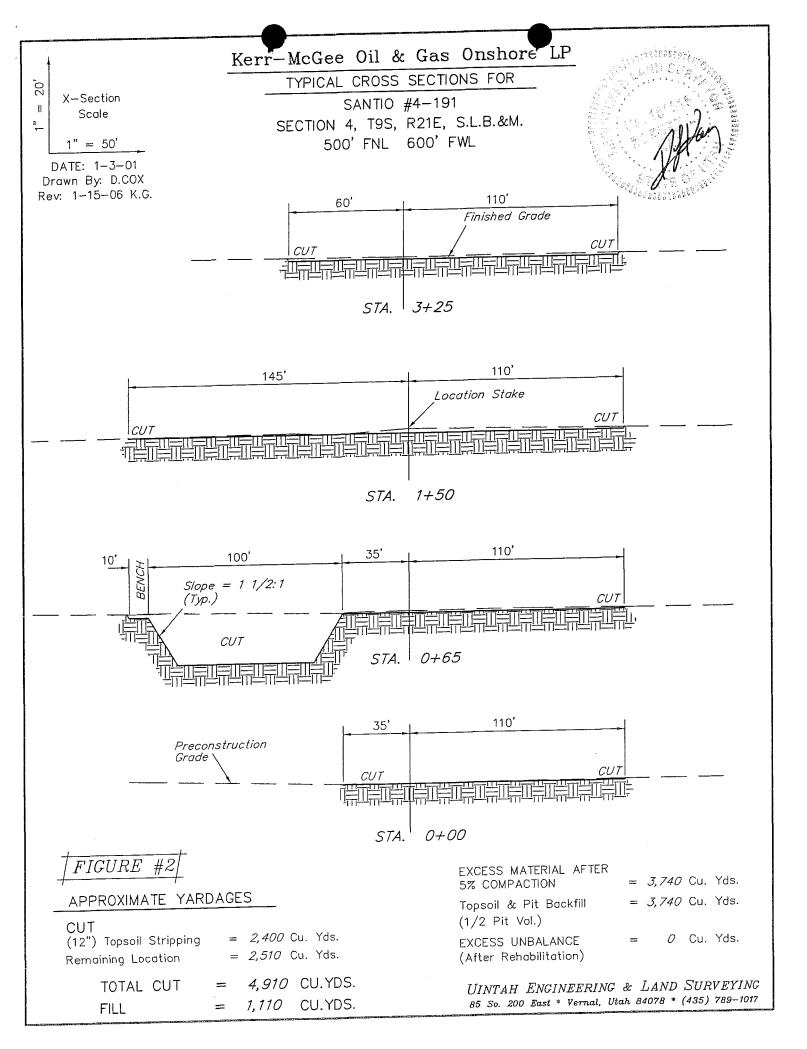




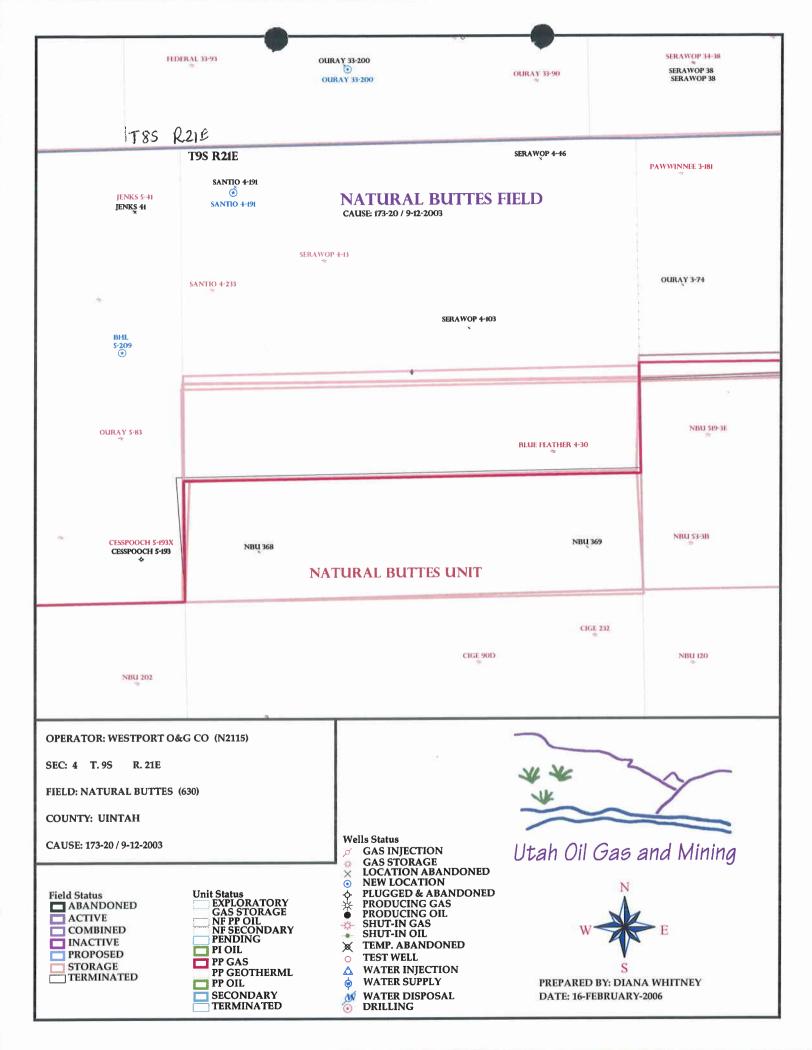








APD RECEIVED: 02/08/2006	API NO. ASSIGNED: 43-047-37733
WELL NAME: SANTIO 4-191 OPERATOR: WESTPORT OIL & GAS CO (N2115) CONTACT: DEBRA DOMENICI	PHONE NUMBER: 435-781-7060
PROPOSED LOCATION:	INSPECT LOCATN BY: / /
NWNW 04 090S 210E	Tech Review Initials Date
SURFACE: 0500 FNL 0600 FWL BOTTOM: 0500 FNL 0600 FWL	Engineering
COUNTY: UINTAH	Geology
LATITUDE: 40.07086 LONGITUDE: -109.5634	Surface
UTM SURF EASTINGS: 622509 NORTHINGS: 44364 FIELD NAME: NATURAL BUTTES (630	
LEASE TYPE: 2 - Indian LEASE NUMBER: 14-20-H62-3894 SURFACE OWNER: 2 - Indian	PROPOSED FORMATION: WSMVD COALBED METHANE WELL? NO
Plat Plat Description Plat Description Potash Potash	LOCATION AND SITING: R649-2-3. Unit: R649-3-2. General
(Date:)	Board Cause No: 173-20 Eff Date: 9-12-03
<u>Nβ</u> Fee Surf Agreement (Y/N) <u>Nβ</u> Intent to Commingle (Y/N)	R649-3-11. Directional Drill
COMMENTS: Sop, Soperate Sico	
STIPULATIONS: 1- Call Office O	





Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

February 16, 2006

Westport Oil & Gas Company 1368 South 1200 East Vernal, UT 84078

Re: Santio 4-191 Well, 500' FNL, 600' FWL, NW NW, Sec. 4, T. 9 South, R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37733.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator:	Westport Oil & Gas Company				
Well Name & Number	Santio 4-191				
API Number:	43-047-37733				
Lease:	14-20-H62-389)4			
Location: <u>NW NW</u>	Sec. 4	T. 9 South	R. 21 East		

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
- 5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

Division of Oil, Gas and Mining OPERATOR CHANGE WORKSHEET

R	OUTING
1.	DJJ
2.	CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

TPI (C) IV VI (C)					
The operator of the well(s) listed below has changed, effective:			1/6/2006		:
FROM: (Old Operator):	TO: (New O _I				
N2115-Westport Oil & Gas Co., LP	N2995-Kerr-M			, LP	
1368 South 1200 East		outh 1200			
Vernal, UT 84078	Vernal	, UT 8407	8		
Phone: 1-(435) 781-7024	Phone: 1-(435)	781-7024			
CA No.	Unit:				
WELL NAME SEC TWN RNG		ENTITY	1	WELL	WELL
		NO NO	TYPE	TYPE	STATUS
OPERATOR CHANGES DOCUMENTATION					
Enter date after each listed item is completed					
1. (R649-8-10) Sundry or legal documentation was received from the	FORMER ope	erator on:	5/10/2006		
2. (R649-8-10) Sundry or legal documentation was received from the	-		5/10/2006		
3. The new company was checked on the Department of Commerce	-			n:	3/7/2006
	Business Numb	_	1355743-0181		37.7/2000
4b. If NO , the operator was contacted contacted on:	·	, , ,	1555715-010	•	
5a. (R649-9-2)Waste Management Plan has been received on:	IN PLACE				
5b. Inspections of LA PA state/fee well sites complete on:	n/a	-			
5c. Reports current for Production/Disposition & Sundries on:	ok	-			
6. Federal and Indian Lease Wells: The BLM and or the E	BIA has appro	ved the	nerger, nam	e chan	ge.
or operator change for all wells listed on Federal or Indian leases o		BLM	3/27/2006		not yet
7. Federal and Indian Units:		•			
The BLM or BIA has approved the successor of unit operator for	wells listed on:	;	3/27/2006		
8. Federal and Indian Communization Agreements ("	CA"):				
The BLM or BIA has approved the operator for all wells listed w			n/a		
gg	vision has appro		•	fer of A	uthority to
Inject, for the enhanced/secondary recovery unit/project for the wa	iter disposal wel	ll(s) listed	on:		
DATA ENTRY:					
1. Changes entered in the Oil and Gas Database on:	5/15/2006	-	-4-1-005		
2. Changes have been entered on the Monthly Operator Change Sp			5/15/2006		
3. Bond information entered in RBDMS on:	5/15/2006	-			
4. Fee/State wells attached to bond in RBDMS on:5. Injection Projects to new operator in RBDMS on:	5/16/2006	-			
6. Receipt of Acceptance of Drilling Procedures for APD/New on:		n/a	Name Chang	e Only	
BOND VERIFICATION:	-	п/а	Ivanic Chang	Cony	
Federal well(s) covered by Bond Number:	CO1203				
2. Indian well(s) covered by Bond Number:	RLB0005239	-			
3. (R649-3-1) The NEW operator of any fee well(s) listed covered by		-	RLB0005236		
a. The FORMER operator has requested a release of liability from the		n/a	rider added		
The Division sent response by letter on:	n bond on.		_11001 00000	Tavio	
LEASE INTEREST OWNER NOTIFICATION:		-			
4. (R649-2-10) The FORMER operator of the fee wells has been cont	acted and inform	ned by a le	tter from the D	Division	
of their responsibility to notify all interest owners of this change on	:	5/16/2006			
COMMENTS:					

* Form 3 160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OMB No. 1004-0135 Expires Jnovember 30, 2000

5. Lease Serial No.

SUNDRY NOTICES	AND	REPORTS	ON WEL	LS.
----------------	-----	---------	--------	-----

MULTIPLE LEASES

FORM APPROVED

	form for proposals to d Use Form 3160-3 (APD) fo			. If Indian, Allottee or I	Tribe Name
SUBMIT IN TRIPL	ICATE – Other instructi	ons on reverse	side 7	. If Unit or CA/Agreem	ent, Name and/or No.
1. Type of Well					
Oil Well X Gas Well	Other		8	. Well Name and No.	
2. Name of Operator	:		N	NUTIPLE WELL	_S
KERR-McGEE OIL & GAS (ONSHORE LP		9	. API Well No.	
3a. Address	3ь	. Phone No. (includ	le area code)		
1368 SOUTH 1200 EAST V		135) 781-7024	10	Field and Pool, or Exp	loratory Area
4. Location of Well (Footage, Sec.,	T., R., M., or Survey Description)				
OFF ATTACHES			11	. County or Parish, State	ė
SEE ATTACHED			lυ	INTAH COUNTY,	UTAH
12 CHECK APP	ROPRIATE BOX(ES) TO INC	NCATE NATURE			
TYPE OF SUBMISSION	NOT KINTE BOX(BB) TO THE	·········	PE OF ACTION	OKI, OK OTHER DA	ATA
			E OF ACTION		
Notice of Intent	Acidize	Deepen	Production (St	· =	r Shut-Off
Subsequent Report	Alter Casing Casing Repair	Fracture Treat New Construction	Reclamation Recomplete		Integrity OF
	Change Plans	Plug and Abandon	Temporarily A		CHANGE OF
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposa		
Attach the Bond under which the woi following completion of the involved testing has been completed. Final Al determined that the site is ready for fin	operations. If the operation results in bandonment Notices shall be filed or	n a multiple completion	or recompletion in a	new interval a Form 3160	L4 shall be filed once
PLEASE BE ADVISED THAT OPERATOR OF THE ATTAC KERR-McGEE OIL & GAS C	CHED WELL LOCATIONS	S. EFFECTIVE	JANUARY 6, 20	006.	RECEIVED MAY 1 0 2006
OF THE LEASE(S) FOR TH	E OPERATIONS CONDU	CTED UPON LE	FASE LANDS	BOND COVERAG	F 1971
IS PROVIDED BY STATE O	F UTAH NATIONWIDE B	OND NO. RLBO	005237.	20112 00121010	DIV OF OIL GAS & MINING
IS PROVIDED BY STATE O	0110 - 101202	AF	PROVED	5116108	
RIA B	ONO = C 0/203 ONO = RLB 0003	5239	Earley &	2	
14. I hereby certify that the foregoing		-Div	ision of Oil, Ga	usseet ■ and Mining	
Name (Printed/Typed) RANDY BAYNE	g is true and correct	Title Earl	ene Russell, En	gineering Technic	ian
Signature		DRILLING MAN Date May 9, 2006	AGER		
- Usunky 1, Sugar	THIS SPACE FO	OR FEDERAL OR S	TATE USE		
Approved by	THE OF ACE P	Title	IVIE OOF	Date	

Conditions of approval, if any, are attached certify that the applicant holds legal or equi which would entitle the applicant to conduct	table title to those rights in the subject	int or Office lease			

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any

false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Form 3 160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires Inovember 30, 2000

5. Lease Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS

MULTIPLE LEASES

	Use Form 3160-3 (APD)		o. It ingian, Allottee or Tribe Name
SUBMIT IN TRIPL	ICATE – Other instruc	ctions on reverse side	7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well Oil Well Gas Well 2. Name of Operator	Other		8. Well Name and No. MUTIPLE WELLS
WESTPORT OIL & GAS CO	MPANY I P		9. API Well No.
3a. Address	/ / /	3b. Phone No. (include area code,	
1368 SOUTH 1200 EAST V	/ERNAL. UT 84078	(435) 781-7024	10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec.,			
	•		11. County or Parish, State
SEE ATTACHED			UINTAH COUNTY, UTAH
12. CHECK APP	ROPRIATE BOX(ES) TO I	NDICATE NATURE OF NOTIC	E, REPORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACT	TION
Notice of Intent Subsequent Report	Acidize Alter Casing Casing Repair		ction (Start/Resume) Water Shut-Off mation Well Integrity nplete X Other CHANGE OF
	Change Plans	=	orarily Abandon OPERATOR
Final Abandonment Notice	Convert to Injection		Disposal
Attach the Bond under which the wo following completion of the involved testing has been completed. Final A determined that the site is ready for fin EFFECTIVE JANUARY 6, 20 THE OPERATORSHIP OF THE OPERATORSHIP OPERA	rk will be performed or provide to operations. If the operation result bandonment Notices shall be filed that inspection. Oo6, WESTPORT OIL 8	the Bond No. on file with BLM/BIA. Its in a multiple completion or recompled only after all requirements, including	
ONSHORE LP.	A DDD	OVED SILL	/
	ALIK	OVED <u>5/6/0</u>	RECEIVED
	Ċa	rlace Russell of Oil, Gas and Mining	
	Division	of Oil, Gas and Mining	MAY 1 0 2006
	Earlene F	Russell, Engineering Techni	ician Silvara -
14. I hereby certify that the foregoin			DIV OF OIL GAS & MINING
Name (Printed/Typed)	B	Title	
BRAD LANEY		ENGINEERING SPECIA	LIST
Signature		Date May 9, 2006	
	THIS SPACE	FOR FEDERAL OR STATE US	
Approved by		Title	Date
dock Jany			5-9-06
conditions of approval, if any, are attracted certify that the applicant holds legal of equ which would entitle the applicant to conduc	itable title to those rights in the subj		

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any

false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FORM APPROVED 3 2006 Form 3160-3 OMB No. 1004-0136 (August 1999) Expires November 30, 2000 UNITED STATES 5. Lease Serial No. DEPARTMENT OF THE INTERIOR 14-20-H62-3894 BUREAU OF LAND MANAGEMENT 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER **UINTAH & OURAY** 7. If Unit or CA Agreement, Name and No REENTER Ia. Type of Work: X UTU-08049I-84C725 8. Lease Name and Well No. **SANTIO 4-191** Multiple Zone Single Zone b. Type of Well: Oil Well Gas Well Other PLWell No 2. Name of Operator KERR MCGEE OIL AND GAS ONSHORE LP 10. Field and Pool, or Exploratory 3b. Phone No. (include area code) 3A. Address **OURAY** 435-781-7003 1368 SOUTH 1200 EAST, VERNAL, UTAH 84078 11. Sec., T., R., M., or Blk, and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements.*) SEC 4-T9S-R21E NWNW 500' FNL 600' FWL At surface At proposed prod. Zone 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office* **UINTAH UTAH** 6.8 MILES SOUTHEAST OF OURAY, UTAH 17. Spacing Unit dedicated to this well 16. No. of Acres in lease 15. Distance from proposed location to nearest 500' property or lease line, ft 79.6 (Also to nearest drig. unit line, if any) 79.6 20. BLM/BIA Bond No. on file Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 19. Proposed Depth REFER TO **BIA #RLB0005239** 10550 TOPO C 23. Estimated duration 22. Approximate date work will start* 21. Elevations (Show whether DF, KDB, RT, GL, etc.) TO BE DETERMINED **UPON APPROVAL** 4674.4' GL 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
 - Operator certification.
- Such other site specific information and/or plans as may be required by the authorized office.

Date Name (Printed/Typed) 4/17/2006 RAMEY HOOPES Accepted by the **Utah Division of** REGULATOR Name (Printed/Typed) Approved by (Signat) 2-2001 istant Field Manager Office Title Lands & Mineral Resources

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

operations thereon.

CONDITIONS OF APPROVAL AT

NOV 1 5 2006

^{*(}Instructions on reverse)



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Kerr-McGee Oil & Gas Onshore, LP Location: NWNW, Sec. 4, T9S, R21E Well No: Santio 4-191 Lease No: 14-20-H62-3894 API No: 43-047-37733 Agreement: UTU-08049I-84C725

Petroleum Engineer: Matt Baker Office: 435-781-4490 Cell: 435-828-4470 Petroleum Engineer: Michael Lee Office: 435-781-4432 Cell: 435-828-7875 Supervisory Petroleum Technician: Jamie Sparger Office: 435-781-4502 Cell: 435-828-3913 **Environmental Scientist:** Paul Buhler Office: 435-781-4475 Cell: 435-828-4029 **Environmental Scientist:** Office: 435-781-4484 Karl Wright Natural Resource Specialist: Holly Villa Office: 435-781-4404 Natural Resource Specialist: Melissa Hawk Office: 435-781-4476 Natural Resource Specialist: Charles Sharp Office: 435-781-4486 Natural Resource Specialist: Scott Ackerman Office: 435-781-4437 After Hours Contact Number: 435-781-4513 Fax: 435-781-4410

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Location Construction	-	Fo
(Notify Scott Ackerman)		an

- Forty-Eight (48) hours prior to construction of location and access roads.

Location Completion (Notify Scott Ackerman)

Prior to moving on the drilling rig.

Spud Notice (Notify Petroleum Engineer)

- Twenty-Four (24) hours prior to spudding the well.

Casing String & Cementing (Notify Jamie Sparger SPT)

- Twenty-Four (24) hours prior to running casing and cementing all casing strings.

BOP & Related Equipment Tests (Notify Jamie Sparger SPT)

- Twenty-Four (24) hours prior to initiating pressure tests.

First Production Notice (Notify Petroleum Engineer)

- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

Page 2 of 7 Well Name: Santio 4-191

11/2/2006

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

General Conditions of Approval

- A <u>0'</u> foot corridor right-of-way shall be approved. Upon completion of each pipeline in corridor, they shall be identified and filed with the Ute Tribe.
- A qualified Archaeologist accompanied by a Tribal Technician will monitor trenching construction of pipeline.
- The Ute Tribe Energy & Minerals Department is to be notified, in writing 48 hours prior to construction of pipeline.
- Construction Notice shall be given to the department on the Ute Tribe workdays, which are Monday through Thursday. The Company understands that they may be responsible for costs incurred by the Ute Tribe after hours.
- The Company shall inform contractors to maintain construction of pipelines within the approved ROWs.
- The Company shall assure the Ute Tribe that "ALL CONTRACTORS, INCLUDING SUB-CONTRACTORS, LEASING CONTRACTORS, AND ETC." have acquired a current and valid Ute Tribal Business License and have "Access Permits" prior to construction, and will have these permits in all vehicles at all times.
- You are hereby notified that working under the "umbrella" of a company does not allow you to be in the field, and can be subject to those fines of the Ute Tribe Severance Tax Ordinance.
- Any deviation of submitted APD's and ROW applications the Companies will notify the
 Ute Tribe and BIA in writing and will receive written authorization of any such change
 with appropriate authorization.
- The Company will implement "Safety and Emergency Plan." The Company's safety director will ensure its compliance.
- All Company employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations shall be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- All personnel shall refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
- The personnel from the Ute Tribe Energy & Minerals Department shall be notified shall cultural remains from subsurface deposits be exposed or identified during construction.
 All construction will cease.

Page 3 of 7 Well Name: Santio 4-191

11/2/2006

 All mitigative stipulations contained in the Bureau of Indian Affairs Site Specific Environmental Assessment (EA) will be strictly adhered.

 Upon completion of Application for Corridor Right-Way, the company will notify the Ute Tribe Energy & Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

Page 4 of 7 Well Name: Santio 4-191

11/2/2006

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

 Surface casing cement shall be brought up to the surface. To reach the surface, operator is required to pump additional cement beyond the stated amounts of sacks in application.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.
- All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test must be reported in the driller's log.
- BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).

Page 5 of 7 Well Name: Santio 4-191

11/2/2006

 All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.

- The lessee/operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, etc.) to Peter Sokolosky or another geologist of the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
- No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
- Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field
 Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers
 until the well is completed.
- Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- Emergency approval may be obtained orally, but such approval does not waive the
 written report requirement. Any additional construction, reconstruction, or alterations of
 facilities, including roads, gathering lines, batteries, etc., which will result in the
 disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore
 Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field
 Office.
- In accordance with 43 CFR 3162.4-3, this well must be reported on the "Monthly Report
 of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in
 which operations commence and continue each month until the well is physically
 plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals
 Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800525-7922 (303) 231-3650 for reporting information.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a

Page 6 of 7 Well Name: Santio 4-191

11/2/2006

summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Vernal Field Office.

- Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.
- All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
- Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office
 Petroleum Engineers will be provided with a date and time for the initial meter calibration
 and all future meter proving schedules. A copy of the meter calibration reports will be
 submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the
 API standards for liquid hydrocarbons and the AGA standards for natural gas
 measurement.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- This APD is approved subject to the requirement that, shall the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - o Operator name, address, and telephone number.
 - o Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - o The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - o Unit agreement and / or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.

Page 7 of 7 Well Name: Santio 4-191

11/2/2006

All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days.
 "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field
 Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging
 of the well, in order that a representative may witness plugging operations. If a well is
 suspended or abandoned, all pits must be fenced immediately until they are backfilled.
 The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within
 30 days after the actual plugging of the well bore, showing location of plugs, amount of
 cement in each, and amount of casing left in hole, and the current status of the surface
 restoration.

Form 31€0-5 (August 1999)

Notice of Intent

Subsequent Report

Final Abandonment Notice

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

5. Lease Serial No. 14-20-H62-3894

FORM A	PROVED
OMB No.	1004-0135
Expires Jnove	mber 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Acidize

Alter Casing

Casing Repair

Change Plans

Convert to Injection

6. If Indian, Allottee or Tribe Name NITAL AND OLIDAY

Production (Start/Resume)

Temporarily Abandon

Reclamation

Recomplete

Water Disposal

apandoned well. Ose i onli 5100-5	(Al D) for such proposals.	UINTAH AND OURAY		
SUBMIT IN TRIPLICATE – Other i	7. If Unit or CA/Agreement, Name and/or No. UTU-08049I-84C725			
Type of Well Oil Well		8. Well Name and No. SANTIO 4-191		
KERR McGEE OIL AND GAS ONSHORE LP		9. API Well No. 4304737733		
3a. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 500' FNL 600' FWL		10. Field and Pool, or Exploratory Area NATURAL BUTTES		
		11. County or Parish, State		
NWNW, SEC 4-T9S-R21E		UINTAH, UTAH		
12. CHECK APPROPRIATE BOX	(ES) TO INDICATE NATURE OF NOTICE,	REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	ON		

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Plug Back

Deepen

Fracture Treat

New Construction

Plug and Abandon

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON FEB UP 4 PT 16, 2006.

Utah Division of Oil, Gas and Mining

RECEIVED

Water Shut-Off

Well Integrity

DOGM

Other APD EXTENSION

JAN 2 9 2007

1	By: Brod (II)	DIV. OF OIL, GAS & MINING
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	Title	REGULATORY CLERK
RAMEY HOOPES Signature Tam II A CONCENTRATION OF THE PROPERTY	Date	January 23, 2007
THIS SF	PACE FOR FEDERAL OR STATE	USE
Approved by	Title	Date 1-31-07
Conditions of approval, if any, are attached. Approval of this notice does certify that the applicant holds legal or equitable title to those rights in the which would entitle the applicant to conduct operations thereon.	subject lease	pm pm
Title 18 U.S.C. Section 1001, make it a crime for any person	knowingly and willfully to make	to any department or agency of the United States any

Date: 81-30

false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Application for Permit to Drill Request for Permit Extension Validation

Validation
(this form should accompany the Sundry Notice requesting permit extension)

API:

4304737733

Well Name: SANTIO 4-191 Location: NWNW, SEC 4-T9S-R21E Company Permit Issued to: KERR MCGEE OIL AND Date Original Permit Issued: 2/16/2006	GAS ONSHORE LP
The undersigned as owner with legal rights to drill on above, hereby verifies that the information as submitt approved application to drill, remains valid and does	ed in the previously
Following is a checklist of some items related to the averified.	application, which should be
f located on private land, has the ownership changed agreement been updated? Yes⊡No⊠	d, if so, has the surface
Have any wells been drilled in the vicinity of the properties spacing or siting requirements for this location? Y	
Has there been any unit or other agreements put in p permitting or operation of this proposed well? Yes⊡I	lace that could affect the No ☑
Have there been any changes to the access route inc of-way, which could affect the proposed location? Ye	cluding ownership, or right- s⊡No ☑
Has the approved source of water for drilling change	d? Yes□No ⊠
Have there been any physical changes to the surface which will require a change in plans from what was d evaluation? Yes□No☑	e location or access route iscussed at the onsite
Is bonding still in place, which covers this proposed v	vell? Yes ☑ No □
Signature Signature	1/23/2007 Date
Title: REGULATORY CLERK	
Representing: Kerr McGee Oil and Gas Onshore LP	RECEIVED
	JAN 4 J ZUU/

Form 3 160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

L	Expires Jnov	embe.	30-20		p	<i>F</i> B	 -
5.	Lease Serial No.	4		C		1	L

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an

14-20-H62-3894 6. If Indian, Allottee or Tribe NAME 0 5 2007

FORM APPROVED

OMB No. 1004-0135

abandoned well.	Use Form 3160-3 (APD)	for suc	h proposal	s.	UTE TRIBE		1101 0 0	, 2001
SUBMIT IN TRIPLICATE – Other instructions on reverse side				7. If Unit or C	_	DL	M	
1. Type of Well			· -	21 - 11 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	10.00000	1 040720		
Oil Well Gas Well	Other				8. Well Name	and No.		
2. Name of Operator				SANTIO 4-191				
KERR McGEE OIL AND GA	S ONSHORE LP				9. API Well N	0.		
3a. Address		3b. Ph	one No. (includ	de area code)	430473773			
1368 SOUTH 1200 EAST VE			31-7003		10. Field and Po	-	ratory Area	
4. Location of Well (Footage, Sec., 2	T., R., M., or Survey Description	n)			NATURAL I			
500'FNL-600'FWL					11. County or F	'arish, State		
NWNW SEC 4-T9S-R21E					UINTAH CO	DUNTY, L	JTAH	
12. CHECK APP	ROPRIATE BOX(ES) TO I	NDICAT	E NATURE	OF NOTICE, R	EPORT, OR O	THER DAT	ГА	
TYPE OF SUBMISSION			TY	PE OF ACTION	1			
Notice of Intent	Acidize Alter Casing	Dee Frac	oen ture Treat	Production Reclamation	(Start/Resume)	Well In	Shut-Off ntegrity	
Subsequent Report	Casing Repair Change Plans		Construction and Abandon	Recomplet Temporari	e ly Abandon	Other BLM	APD EXTE	NSION
Final Abandonment Notice	Convert to Injection	Plug	Back	Water Disp	oosal			
following completion of the involved testing has been completed. Final Aldetermined that the site is ready for fin THE OPERATOR REQUEST LOCATION SO THAT THE EAPPROVED BY THE BURE.	bandonment Notices shall be file al inspection. TS AUTHORIZATION DRILLING OPERATIO	d only aft FOR A NS MA	er all requireme ONE YEAF Y BE COM	nts, including recla REXTENSIO PLETED. TH	amation, have been N FOR THE E ORIGINAL	SUBJEG	and the operato	once r has
				-				
	•	ı	AL DIST.					
		GEOL	•	A CONTRACTOR OF THE CONTRACTOR				
		E.S						
14. I hereby certify that the foregoing Name (Printed/Typed) SHFILAL	is true and correct	A Mitt		SENIOR LAN	ID ADMIN SE	PECIALIS	ST	
Signature	nellan	Date			 			
f frew 17	MANGIU				ober 11, 200	/		
Approved by	UNIS SPACE	E FOR F	Title	STATE USE	Date			
Conditions of approval, if any are attached certify that the applicant holds legal or equ				eum En		NOV	1 6 200	<u></u>
which would entitle the applicant to conduct Title 18 U.S.C. Section 1001, make		owingly a	nd willfully to	make to any de	partment or agen	cy of the Ur	nited States an	y
false, fictitious or fraudulent stateme						•		•

(Instructions on reverse)

RECEIVED

CONDITIONS OF APPROVAL ATTACHED

DEC 0 6 2007



CONDITIONS OF APPROVAL

Kerr McGee Oil and Gas Onshore LP.

Notice of Intent APD Extension

Lease:

14-20-H62-3894

Well:

Santio 4-191

Location:

NWNW Sec 4-T9S-R21E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 11/2/08.
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Ryan Angus of this office at (435) 781-4430

Form 3 160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires Jnovember 30, 2000

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SUNDRY NOTICES AND REPORTS ON WELLS

1420H623894

5. Lease Serial No.

	s form for proposals to			e	I	
abandoned well.	Use Form 3160-3 (APD)	tor sucn p	proposai	J.	UTE TRI	BE
		_				or CA/Agreement, Name and/or No.
	.ICATE – Other instru	ctions on	revers	e side	UTU 080	149I-84C725
Type of Well					0 11/11/1	127
Oil Well Gas Well	U Other					ame and No.
. Name of Operator					SANTIO	
KERR McGEE OIL AND GA	AS ONSHORE LP	Tai Di	N. (1. 1.	7 7)	9. API We	
Sa. Address	/EDNAL //E 0.4070		•	o. (include area code) 4304737733		
1368 SOUTH 1200 EAST V	•	435.781.	7024			nd Pool, or Exploratory Area
. Location of Well (Footage, Sec.,	1., R., M., or Survey Description	on)				AL BUTTES
					11. County	or Parish, State
NW/NW SEC. 4, T9S, R21E	= 500'FNL, 600'FWL				UINTAH	COUNTY, UTAH
12. CHECK APP	PROPRIATE BOX(ES) TO 1	INDICATE 1	NATURE	OF NOTICE	REPORT, OF	R OTHER DATA
TYPE OF SUBMISSION			TY	PE OF ACTION	ON	
Notice of Intent	Acidize	Deepen		Producti	on (Start/Resum	ne) Water Shut-Off
-	Alter Casing	Fracture		Reclama	•	Well Integrity
X Subsequent Report	Casing Repair	New Co	onstruction	Recomp	lete	Other DOGM APD
	Change Plans				سمام ما ۸ برانس	EXTENSION
			d Abandon	Tempora	-	
Final Abandonment Notice 3. Describe Proposed or Completed Ope If the proposal is to deepen direction Attach the Bond under which the wo	Convert to Injection erations (clearly state all pertinent ally or recomplete horizontally, gi	Plug Ba details, includ ive subsurface	ling estimate locations an	Water D d starting date o	isposal f any proposed w true vertical dept	ork and approximate duration thereof.
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Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any

which would entitle the applicant to conduct operations thereon.

false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



4304737733

API:

Application for Permit to Drill Request for Permit Extension Validation

Validation (this form should accompany the Sundry Notice requesting permit extension)

Well Name: SANTIO 4-191 Location: NWNW SEC 4-T9S-R21E Company Permit Issued to: KERR-MCGEE OIL AND GAS ONSHORE LP Date Original Permit Issued: 2/16/2006
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
f located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes□No☑
Have any wells been drilled in the vicinity of the proposed well which would affect he spacing or siting requirements for this location? Yes ☐ No ☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
s bonding still in place, which covers this proposed well? Yes☑No□
Mullmullm 1/3/2008
Signature Date
Title: SENIOR LAND ADMIN SPECIALIST
Representing: KERR-MCGEE OIL & GAS ONSHORE LP
BECEIVED

JAN 0 8 2008

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Cor	npany:KEI	RR-McGEE OIL	& GAS	ONSHORE	<u>, L.P.</u>	
Well Name	•	SANTIO 4	-191			
Api No:	43-047-3773	3	L	ease Type:	IND	IAN
Section04	Township_	09S Range_	21E	_County	UIN	ТАН
Drilling Cor	ntractor	PETE MARTIN	DRLG	RI	G#	BUCKET
SPUDDE	D:					
	Date	10/20/08				
	Time	6:00 AM				
	How	DRY				
Drilling wi	ill Commenc	e:				
Reported by		LEW WEL	DON			
Telephone#		(435) 828-7	035			
Date	10/22//08	Signed	CHD			

Form 3160-4 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: November 30, 2000

• -			BURE	AU OF I	LAND MA	NAGEME	NT					expires.	LADACHII	ж. эо,	2000
	WEI	I COM	DI ETIO	NORR	ECOMPL	FTION RI	=PORT	AND LO)G	ſ	5. L	ease Seria	No.		
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4 5 4	T	7 02 97	ell 🔀 C		☐ Dry	Other					6. If	Indian, A	llottee or	Tribe	Name
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b. Type of	Completion:		New New	<u> </u>	Vork Over	Deepen	Ļ, PN	ig Back	Dill.	Kesvi.	7. U				me and No.
			Other										080491		
2. Name of	Operator									1	8. L	ease Name		,	
		KE	RR MC	GEE Oil	L AND GA	AS ONSH	ORE LI	P				SA	NTIO	4-19	1
3. Address	· · · · · · · · · · · · · · · · · · ·						3a, Pho	one No. (inc	clude area	code)	Q A	PI Well N			
	269 5011	TH 420	N EAST	VERNA	AL, UT 84	07 8		435-78	31-7024	. 1	J. 41		30473°	7722	
4 Location	of Well /Par	nort locat	ione clearly	and in ac	cordance wit	h Federal red	nuirement								
4. Lucanon	OT Meti (Ve)	0011 10021									10. I	Field and I			atory
At surface			NWI	VW 500'	FNL & 60	00' FWL	LAT 40	.070859	LON -	109.561			OUR		
										11. Sec., T., R., M., or Block and					
At top prod, interval reported below									ŀ	Survey or Area 4-9S-21F 12. County or Parish 13. State					
										ļ	12,		TAH		UTAH
At total dep		·	122 -		1 1		126 D	a Cananinta	J		17		1	'B RT	
14. Date Sp	4. Date Spudded 15. Date T.D. Reached						16. Date Completed D & A Ready to Prod.				17. Elevations (DF, RKB, RT, GL)*				
	10/20/0	3			10/20/08			120/	08		4674.4' GL				
18 Total I	Depth: MD)	100'	19. P	lug Back T.D).; MD				20. Depth	Bridge	Plug Set:	MD	····	
20, 20,	TV		100			TVD							TVD		
		her Mech	anical Logs	Run (Subi	mit copy of e	ach)			22. Was	well cored	□ N	· 📮	Yes (Sub	mit co	ру)
No Logs	Run									DST run?					
									Dire	ctional Surv	/ey? ┗┛	No	Yes (Subm	it copy)
23. Casing	and Liner R	ecord (R	eport all sti	rings set in	well)										
	Size/Grade			p (MD)	Bottom (M	Stage C	Stage Cementer No. of Sks			Slurry Vo	1 Cement 100* 1			Amount Pulled	
Hoje Size	Size/Grade	VV E. (87)	10	p (wit)	Dottorn (w	D _i	epth	Type of	Cement	(BBL)					
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24. Tubing			· · · · · · · · · · · · · · · · · · ·					15 . 5	1 0 m	1 0:		T 75	9-4 (A (T)	\ F	Packer Set (MD)
Size	Depth Se	t (MD)	Packer De	pth (MD)	Size	Depth :	Set (MD)	Packer De	eptn (MD)	Siz	e	Depin	Set (MI	" "	Acker Set (MD)
n=e***,**										 		-			
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25. Produc	ing Interval		<u> </u>	<u> </u>	Т ъ					Size	No	. Holes	1	Derf	Status
·	Formation	<u> </u>		Тор	Bottom		Perforated	Intervar		Size	140	, 110105	ļ <u> </u>	1011	, otaca
<u>A)</u>					 		,				<u> </u>				*
B)					_		· · · · · · · · · · · · · · · · · · ·	<u> </u>			-		 		
<u>C)</u>					<u> </u>						ļ				
D)											<u> </u>	· · · · · · · · · · · · · · · · · · ·	J		
27. Acid,	Fracture, Tre		ement Squ	eeze, Etc.		··· ··· · · · · · · · · · · · · · · ·			16 6)					
	Depth Inter	val						Amount as	na type ot	Materiai			C	14/1	
												<u> </u>		W	<u> </u>
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	<u> </u>					·				~~~···					
	ction - Interv		Tan .	103	Ic	Water	Oil Gr	andar.	Gas		Produc	DIV.OF	,OIL, G	AS&	MINING
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	BBL	Corr. A	-	Gravity		1,000	11011 1120130	•		
Lindanoa	Date	100.00							1		-				
Choke	Tbg, Press.	Csg.	24 Hr.	Oil	Gas	Water	Oil Gr	avity	Well Stati	rs					
Size	Flwg.	Press.	Rate	BBL	MCF	BBL	Corr. A	API	1						
	SI	<u>L·</u>				<u> </u>			<u></u>						
28a. Prod	uction - Inte	rval B									I	.,			
Date First	Test	Hours	Test	Oil	Gas	Water	Oil Gr	-	Gas Gravity		Produc	tion Metho	α		
Produced	Date	Tested	Production	BBL	MCF	BBL	Соп.	urt 1	Gravity						
Choke	The Desir	Csg.	24 Hr.	Oil	Gas	Water	Oil Gr	avity	Well Stat	ıs	1		·····		
Size	Tbg. Press.	Press.	Rate	BBL	MCF	BBL	Corr.								

b. Proc	luction - Inte	rval C									
ate First	Test	Hours	Test	Oil	Gas	Water	Oil Gravity Corr. API	Gas Gravity	Production Method	•	
oduced	Date	Tested	Production	BBL	MCF	BBL	Con. AFI				
hoke	Tbg. Press.	Csg.	24 Hr.	Oil	Gas	Water	Gas ; Oil	Well Status			
ze	Flwg,	Press.	Rate	BBL	MCF	BBL	Ratio	ŀ			
	SI		→	İ							
c. Proc	duction - Inte	aval D								<u> </u>	
ite First	Test	Hours	Test	Oil	Gas	Water	Oil Gravity	Gas Gravity	Production Method		
oduced	Date	Tested	Production	BBL	MCF	BBL	Corr. API	İ			
		-		165		Water	Gas ; Oil	Well Status		<u> </u>	
hoke ze	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	BBL	Ratio	W GIN SILILIA			
25	SI	11000.	-					.			
). Disp	osition of Ga	is (Sold, us	ed for fuel,	ented, etc.,)					•	
-											
). Sum	mary of Porc	ous Zones (Include Aqu	ifers):				31. Formati	on (Log) Markers		
OL		et manas at	norocity an	d contents t	hereof Core	d intervals an	d all drill-stem				
Shov	w au importa Linchiding d	m zones or epth interv	al tested. cus	shion used.	time tool ope	n, flowing and	shut-in pressures				
	recoveries.		,		•	_					
	· · · · · · · · · · · · · · · · · · ·									Тор	
Formation		n Top Bottom			Descri	ptions, Conten	ts, etc.		Name		
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2. Add	ditional rema	rks (includ	e plugging p	rocedure):							
					4001 185	. 22	. He a d dll acad	notor a 2" hi	y 6' long running pip	e broke and	
			iole was i	drilled to	: 100'.	ille running	FIDA JATEMAN		vo iona rantana bil		
On 10)/20/2008	, a 25" r	,0,0					uctor, a o b	viewed but a 31 pions	of the 3"	
allowe	d the cou	ndutor to	fall appi	oximate	iv 10' into	the hole.	The 14" condu	ictor was ret	ueved brita 3. biece	e or the s	
allowe runnir	ed the cor	ndutor to ould not	fall appr be recov	oximate ered eve	ly 10' into en after se	the hole. veral fishir	The 14" condu ig attempts. T	ictor was ret he hole was	rieved but a 3' piece then filled with cen	e or the s	
allowe runnir	ed the cor	ndutor to ould not	fall appr be recov	oximate ered eve	ly 10' into en after se	the hole. veral fishir	The 14" condu	ictor was ret he hole was	ueved brita 3. biece	e Or tire o	
allowe runnir was n	ed the con ng pipe co noved 10	ndutor to ould not ' to start	fall appi be recov another	oximate ered eve	ly 10' into en after se	the hole. veral fishir	The 14" condu ig attempts. T	ictor was ret he hole was	uened prita 3. biece	e or the s	
allowe runnir was n 33. Cir	ed the cong pipe of noved 10 cole enclosed	ndutor to ould not ' to start attachmen	o fall appi be recov another	oximate ered eve location	ly 10' into en after se which will	the hole. veral fishir be called t	The 14" conduing attempts. The Santio 4-1	ictor was ret he hole was 91X.	rieved but a 3 piece then filled with cen	nent and the rig	
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allower unnir was n 33. Cir	ed the cong pipe of noved 10 cole enclosed	ndutor to ould not to start attachmen echanical I	be recoverance another ts:	oximate ered eve location et req'd.)	ly 10' into en after se which will	the hole. veral fishir be called t	The 14" conduing attempts. The Santio 4-1s	ictor was ret he hole was 91X.	rieved but a 3 piece then filled with cen	nent and the rig	
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